

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016/2017

BEN2074 - ENTREPRENEURSHIP

3 MARCH 2017
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 4 pages excluding the cover page.
2. This question paper consists of TWO (2) sections. Answer all questions.
3. Please write all your answers in the Answer Booklet provided.

SECTION A (40 marks)**App-solutely easy**

BY NEVASH NAIRANDZIEMAN

The Lori Sewa Boys

Though many industries in Malaysia have found technology to help them grow and innovate, the lorry rental business seems to be stuck in the 1980s.

You can still see lorries parked under trees in public car parks, hoping to get a customer for the day. Of course, there are also those who have invested in listings and advertisements but the numbers are hardly making a dent in the *lori sewa* (lorries-for-hire) business.

Aiming to revolutionise the industry, two former logistics executives have developed a platform to connect lorry owners to clients.

TheLorry.com (The Lorry) is an on-demand delivery service that uses lorries for transportation, helping users to compare prices before they pick the lorry they want to use.

"We see this as a win-win situation for both lorry owners and customers," says Goh Chee Hau, one of the co-founders of The Lorry.

Both Goh and his partner, Nadhir Ashafiq, developed The Lorry, having worked in the traditional logistics industry for many years.

"Lorry owners and customers each have their own grouses. Our role – as the middle party – is to ensure that both parties are happy once the job is done. Customers want to pay the best price and receive quality service and the service provider wants more customers," says Goh.

As simple as the idea may sound and as convenient as it may seem for all parties involved, only 20% of all trucking companies and lorry owners that Goh and Nadhir contacted turned up for the initial briefing session.

But the duo persevered and, with an initial investment of RM20,000, they launched The Lorry with three trucking companies that owned 10 lorries registered with them.

"In the beginning it was really tough, and we were doing everything manually. Customers were calling us, and we had to call our service providers. Now, it is online and a customer can complete a booking within five minutes," explains Goh.

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As they help to make it easier for Malaysians to find lorries when they want to move house or relocate their office, The Lorry has grown from a small startup to a company that can broker up to 80 trucks a day.

"We are looking at many things to make life easier for both parties. We are developing a mobile app, and we are looking at 100% online payment. We aim to service hundreds of customers a day in the near future," says Goh.

The company is not actively looking for funding at the moment but is open to talks with angel investors and venture capitalists in the near future. For now, they are focused on building their brand.

Source: <http://www.thestar.com.my/metro/smebiz/focus/2015/04/20/appolutely-easy-fresh-food-for-you-the-lori-sewa-boys-anything-and-everything/>

Answer the following questions.

- a) Elaborate the problem or opportunity that leads to the development of TheLorry.com.
(5 Marks)
- b) Develop a business model for TheLorry.com using Barringer/Ireland Business Model Template. You may utilise the information provided in the case and the knowledge you learned on business model to complete the task. You may use your logical assumption to complete the information that is not provided in the case. The template of business model is provided in appendix. Reproduce the business model in your answer booklet.
(25 Marks)
- c) The case highlights that TheLorry.com is now focusing on building their brand.
i. What is a brand?
(2 Marks)
- ii. Explain the keys to effective branding for a new start-up like TheLorry.com.
(3 Marks)
- d) In your opinion, is it right for TheLorry.com to develop a mobile app and to shift to 100 percent online payment as mentioned by Goh, the co-founder in the case? Justify your answer.
(5 Marks)

(Total 40 Marks)

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SECTION B (60 marks)**QUESTION 1**

- (a) Explain the FOUR (4) main components of feasibility analysis. (8 marks)
- (b) Identify FIVE (5) characteristics of an attractive industry. (10 marks)
- (c) Explain a concept test. (2 marks)
- (Total 20 Marks)**

QUESTION 2

- (a) Your friend, David needs your help for his new start-up. He needs to raise money to fund his business but has no idea on how to do it. Explain to David on the steps involved in properly preparing to raise debt or equity financing. (9 Marks)
- (b) David is confused about the debt and equity financing. Explain the TWO (2) types of financing to him with examples for each of them. (5 Marks)
- (c) Explain TWO (2) reasons that most entrepreneurial ventures need to raise money during their early life. (6 Marks)
- (Total 20 Marks)**

QUESTION 3

- (a) Susan is the owner of Do Well Sdn. Bhd. She seeks your advice on whether she should grow her business further, worrying that the business will be too large for her to manage. Explain FOUR (4) reasons for why she should grow her business. (12 marks)
- (b) In addition, advice Susan on FOUR (4) warning signs that her business is growing too fast. (8 marks)
- (Total 20 Marks)**

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Appendix

Barringer/Ireland Business Model Template

Company Name: _____

Core Strategy	
Business Mission	Basis of Differentiation
Target Customer	Product/Market Scope

Resources	
Core Competency	Key Assets

Financial	
Revenue Streams	
Cost Structure	Financing/Funding

Operations	
Product (or service) Production	Channels
	Key Partners

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